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BEFORE THE STATE AUDITOR
AND COMMISSIONER OF SECURITIES AND INSURANCE
HELENA, MONTANA

IN THE MATTER OF:) CASE NO. 11-08-05-150
)
CASCADE EXPLORATION, INC. and)
CASCADE WATER HOLDINGS, INC.)
182 Alec Roy Road)
Roundup, MT, 59072)
Nevada Corporations;)
)
GORDON WALTERS, individually, and)
in his capacity as President and Treasurer)
of Cascade Exploration, Inc. and President,)
Treasurer and Director of Cascade Water)
Holdings, Inc; ANN WALTERS,)
individually, and in her capacity as)
Secretary of Cascade Exploration, Inc. and)
Cascade Water Holdings, Inc; CALVIN)
STATELEN, individually, and in his)
capacity as a promoter for Cascade)
Exploration, Inc. and Cascade Water)
Holdings, Inc; and DANNY KEGEL,)
individually, and in his capacity as a)
promoter for Cascade Exploration, Inc.)
and Cascade Water Holdings, Inc.)
)
Respondents.)

Consent Agreement dated this 23 day of April, 2007, between the Montana Securities
Department ("Department"), acting pursuant to the authority of Securities Act of Montana, § 30-
10-101 et seq. Montana Code Annotated (the "Act") and Calvin Statelen (Statelen).

RECITALS

WHEREAS, the Securities Department (Department) issued a Notice of Proposed Agency Disciplinary Action and Opportunity for Hearing (Action) on or about January 3, 2007, alleging violations of the Montana Securities Act;

WHEREAS, the Department performed an investigation of information provided to it by a Complainant, Statelen and Cascade Exploration that represent the basis for its claims against Statelen as asserted in this Action; and

WHEREAS, the Department and Statelen agree that the parties' best interests would be served by dismissing the Action and entering into the following specific agreement and undertakings set forth below.

NOW THEREFORE, in consideration of the mutual undertakings established herein, the Department and Statelen, as the parties hereto, enter into the following:

AGREEMENT

A. Without admitting or denying the allegations and conclusions contained within the four corners of the Action, Statelen hereby stipulates and consents to the following:

1. Statelen shall pay a fine of \$10,000 to the Department. This fine may be paid over a five (5) year period from the date of signing this Consent Agreement.
2. Statelen shall perform 500 hours of community service over the next five years and shall provide a written report to the Department indicating he has completed the required hours and where in the community he has performed these services.
3. Statelen shall be permanently barred from applying for registration as a securities salesperson in Montana.

4. Statelen agrees to cooperate with the Department's prosecution of this matter with regard to the other named Respondents, including providing testimony at any trial relevant to the issues and/or Respondents identified in the Action.

B. The Commissioner agrees and stipulates to the following:

1. Upon signing this notarized consent agreement, the Commissioner shall dismiss this case, with prejudice, with respect to the allegations against Statelen.

C. The parties agree and stipulate as follows:

1. The Statute of Limitation is tolled for five (5) years from the date of consummation of this consent agreement with regard to the allegations set forth above. In the event Statelen violates the terms of this consent agreement or violates securities laws of any other state during the five year period, Statelen shall be liable for a fine payable to the State Auditor's Office in the amount of \$75,000.

2. Any complaints brought to the Commissioner after the signing of this Agreement that contain allegations of illegal acts by Statelen of a similar or the same nature as the allegations set forth in the Action that occurred prior to the consummation of this Agreement shall not result in further administrative, civil or criminal action by the Commissioner.

3. This Consent Agreement constitutes the entire agreement between the parties, there being no other promises or agreements, either express or implied. Pursuant to statutory authority, the Commissioner hereby agrees that the Commissioner will not initiate any civil, administrative, or criminal action against Statelen regarding the allegations contained in the Action.

4. The Commissioner will not refer the allegations or evidence underlying the allegations for criminal prosecution to any other agency. Statelen fully and forever releases and

discharges the Office of the State Auditor, the elected State Auditor and all State Auditor employees from any and all actions, claims, causes of action, demands, or expenses for damages or injuries that may arise from the allegations underlying this Agreement, whether asserted or unasserted, known or unknown, foreseen or unforeseen, arising out of the Action.

DATED this 23rd day of April, 2007.

MONTANA SECURITIES DEPARTMENT

By: *Lynne Egan*
LYNNE EGAN
Deputy Securities Commissioner

SUBSCRIBED AND SWORN to before me this 23rd day of April 2007.

Michelle Marise Huffel
Notary Public for the State of Montana
Residing at *Helena*
My commission expires *March 29, 2008*
Printed Name: *Michelle Marise Huffel*

DATED this 13th day of April 2007.

Calvin Statele
CALVIN STATELEN

SUBSCRIBED AND SWORN to before me this 13th day of April 2007.



Joann M. Statele
Notary Public for the State of Montana
Residing at *Harre, MT*
My commission expires *Sept. 18, 2010*
Printed Name: *Joann M. Statele*